

FTC Joins Amicus Brief Opposing Federal Court Finding On Consumers' Rights Under the Fair Debt Collection Practices Act

For Your Information

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The Federal Trade Commission, the Department of Justice, and the Consumer Financial Protection Bureau filed a joint *amicus* brief in the U.S. Supreme Court supporting consumers' ability to protect their rights under the Fair Debt Collection Practices Act by suing debt collectors. The FTC and CFPB share authority to enforce the Act.

The *amicus* brief urges the Supreme Court to overturn a decision of the U.S. Court of Appeals for the Tenth Circuit. In this case, a consumer, Olivea Marx, sued a debt collector, General Revenue Corporation, that had contacted her employer to obtain information about her employment status. Marx believed that the debt collector's conduct had violated the Fair Debt Collection Practices Act, but she lost the case. The Tenth Circuit ruled that Marx was responsible for paying more than \$4,500 to cover the debt collector's litigation costs, even though she had brought the case in good faith.

The *amicus* brief argues that the Tenth Circuit's decision was inconsistent with the terms of the Fair Debt Collection Practices Act, which specifies that consumers who win lawsuits against debt collectors may recover their litigation costs from the defendants, but that consumers who lose these cases must pay defendants' litigation costs only if the consumers sued in bad faith or for purposes of harassment. The *amicus* brief also argues that these provisions of the Act advance Congress' intent to help consumers deter abusive debt collection practices by bringing private enforcement actions in good faith. By contrast, the Tenth Circuit's ruling would create a disincentive to the prosecution of private enforcement actions, the brief states.